

# Consumers to Have More Money to Spend in 1966

(Continued from Page 1) economy as in the past two years.

14. Business inventory accumulation likewise a big factor in the boom, should also become a less vigorous expansionary force. Perhaps fears of inflationary price increases will encourage businessmen to maintain a healthy volume of inventories; but unless war threatens intensify, I see no need to pile up much more in inventories.

15. Consumers will have more money to spend in 1966. I forecast a further uptrend in personal incomes to new high ground. An important influence in this respect is the impact of automatic wage increases which are called for in existing multi-year labor pacts.

16. Also, I predict a further rise in the general structure of wage rates, as many secondary labor unions seek to match the gains of the auto and steel workers.

17. Unless another federal tax cut is enacted—which now seems remote in view of the war effort and the present fiscal deficit—net income after taxes may not rise as rapidly as gross income. The social security tax rate is scheduled for a step-up. Also, higher state and local taxes—including sales levies—will place more of a burden on consumers.

18. The all-important employment situation should remain generally good. We may have seen the greatest portion of the rise in manufacturing employment. However, employment in government payrolls at all levels, and in services, should continue to score sizable gains.

19. I forecast no radical change in the jobless picture. Let me warn readers, however, that the problem is far from solved, and in coming years we may well have to reckon with it. The draft step-up only temporarily eases things and gives a false sense of well-being.

20. Retail trade should enjoy another excellent year. Much of the gain in dollar volume, of course, will come from price rises. Nevertheless, as long as personal incomes, employment, and business hold high, consumer confidence will encourage spending.

21. Spending for food, apparel, and general merchandise should continue upward; also for leisure-time and vacation lines. Color television is catching on, and I look for continued strong demand in this field.

22. The automobile business will not be left out in the spending spree. It will enjoy another prosperous year; but I foresee no significant upsurge beyond the high levels of the past two years.

23. In view of the drain on our gold supplies, the government has been endeavoring to promote domestic travel and vacations. Nevertheless, I forecast further interest in foreign vacations. In one sense, I am happy to see this. I have done considerable foreign traveling, and I feel that such activity is definitely advantageous. Furthermore, I feel that foreign travel can help Americans to wake up to the advantages here at home and make them more thankful for the blessings they enjoy.

24. Many readers—especially those retired and living on pensions and social security—are worried about the threat of inflation. I forecast no radical inflation during 1966... The Administration is committed to "non-inflationary progress." However, some price increases appear unavoidable.

25. I predict that the greater danger will lie in credit inflation rather than in price inflation.

27. Look for new increases in the cost-of-living index. The government may try to head off substantial price hikes in key areas, but selective rises will occur.

28. Industrial commodity prices should remain firm to higher, particularly in the first half of 1966. The primary bulwark against a price runaway is competition, which should be basically more effective than government influence.

29. I look for an increase in domestic competition in 1966. This should become more evident as the business upthrust tapers off. Also we must not forget foreign competition. With many nations feeling the pinch of a dollar shortage, they will work to remedy this by increasing their sales here.

30. Business in 1966 need fear no major labor tie-ups. Strikes however, may well be numerous among the secondary labor units.

31. I look for business failures to increase, both in numbers and in dollar liabilities. This will be due to keen competition, excesses of debt and inventory accumulations, unwise credit extensions, and careless management.

32. Of greater concern to me is the steady climb in non-farm real estate foreclosures; I expect a further rise in 1966.

33. Business profits in 1966 will not advance as sharply as in the past two or three years. The squeeze is on in profit margins; hence I look for a tapering off in the rise of corporate profits, although I foresee no drastic slump while activity holds near a peak.

34. Looking at the farm sector, I see no radical change from the excellent 1965 year. Barring a crop failure or severe drought, farm prices, at worst, should shade only slightly lower.

**Good Farm Year**  
35. Farm equipment manufacturers should enjoy good business in 1966. This goes also for fertilizer and pesticide producers.

36. The important building and construction lines should hold their own in 1966, but their dollar volume may be due largely to price and cost inflation. The Great Society program is a plus factor for construction, including urban renewal and highways.

37. Private home and apartment building could show slight improvement, but the real boom in residential building will not register significantly in 1966.

38. Hence, I forecast that real estate conditions will remain selective. Well-located sites for homes and industrial and commercial complexes will do well, but study of local conditions is imperative.

39. I predict a further increase in farm land values in 1966. With costs still rising, the physical size of farms must expand so operators can benefit from mechanization. This places a premium on well-located land in the important and larger agricultural regions.

40. The steady advance toward fuller automation should make further progress in 1966, helping industry to cope with rising operating costs and shorter work weeks.

41. Trees do not grow to the skies; neither does the stock market rise unendingly.

While I forecast that the stock market—as measured by the Dow-Jones Industrials—can surpass the high mark of 1965, I anticipate a volatile 1966 market with a good-sized drop-off a real possibility sometime during the year.

42. Even though the stock may push to new highs, any further advance may not bulk large percentages. If business and corporate profits show a tendency to taper off, the fundamental basis for a worthwhile advance will be removed.

43. Speculative enthusiasm and inflation fears can be expected to figure prominently in the stock market during the course of 1966. The urge to make a quick buck is increasingly evident.

44. I forecast that 1966 will not be the time for illogical speculation and gambling in the stock market. Above all, let me remind readers of the dangers of using borrowed money to buy stocks. Those who "go off the deep end" may well regret it before very long.

45. Those who invest (not speculate) on the basis of growth will sleep better nights. I have in mind the expanding population, rising incomes, scientific advances, greater leisure, and above all the impact of the Great Society.

46. Investors should be pleased with cash dividend payments in 1966. I forecast they will show another increase. I would also expect a rash of stock dividends and stock splits, particularly in the first half of the year.

47. If businessmen, consumers, and investors do not act voluntarily to keep inflation-

ary pressures and speculation from getting out of hand, the monetary authorities may be forced to raise margin requirements on stock purchases, and perhaps tighten credit further.

48. Look for somewhat lower bond prices in 1966. Although we are not in immediate danger of credit exhaustion, the banking system is under some strain from the rapid expansion of credit in recent years. My advice is to buy bonds which mature in five years or less. The time to buy good longer-term bonds will come when the yields on short-term bonds exceed those on long-term issues.

**Stable Dollar**  
49. The dollar will not be devalued in 1966. Possibility of devaluation of the British pound will undoubtedly come to the fore again, but additional effort will probably be made to keep the pound from "going under." I fear, how-

ever, that all this is only "buying time" . . . that devaluation of the pound may be inevitable.

50. I foresee no cure for the outflow of gold from America's shores in 1966. However, in view of the importance of the U.S. in international trade and world military considerations, foreign bankers will be reluctant to withdraw their gold en masse. Bear in mind also that there is no country that can match our industrial and military might . . . and that, among the leading nations, the United States has suffered least in terms of the ravages of inflation and political instability.

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## Installation Scheduled For New CREA Officers

Newly elected officers of the California Real Estate Association (CREA) will be installed at a luncheon in Los Angeles Saturday, Jan. 8. Burton E. Smith of Bellflower will be installed as president of the statewide association of realtors. Smith has been in the real estate business since 1947 and owns his own firm in Bellflower.

Six directors-for-life will be installed with other officers. They include Robert G. Adamson of Los Angeles, Richard C. Farrer of Palm Desert, Emmette T. Gatewood Jr. of Los Gatos, Elton S. Goble of Victorville, Fred Lamping of Encino, and Alan A. Stramler Jr. of Bakersfield.

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Rev. John P. Crenshaw, Pastor  
MASS SCHEDULE  
Sundays: 8:15, 9:30, 10:45, 11:15, 12:15 and 5 p.m.  
St. Joseph's at 8:30 A.M.  
SATURDAY CONFESSIONS  
10:30 to 11:30 A.M.; 3:30 to 5:30 P.M.  
St. Joseph's at 7:15 P.M.  
BAPTISMS  
Every Sunday at 1:45 P.M.

**CHRIST THE KING LUTHERAN CHURCH**  
Rev. B. Christiansen, Pastor  
Rev. J. Wilker  
2706 W. 122nd St., Torrance  
Phone DA 5-6521  
Rev. Davis 9-8465  
● Divine Worship 8:30 A.M.  
● Divine Worship 11:15 A.M.  
● Sunday School 9:15 and 10:15 A.M.  
Nursery care provided at both services.

**FIRST CHURCH OF CHRIST, SCIENTIST**  
218th St. and Manuel Ave., Torrance, Calif.  
Church Services—11 A.M. Wednesday Eve. Meetings—8 P.M.  
Sunday School—9:15 A.M. and 11:30 A.M. Children under 10 years of age must be accompanied by parent or guardian for enrollment.  
Reading Room—1408 Crenshaw Open 10 A.M. to 5 P.M. daily except Sunday and Holidays. Also 7 to 9 Monday and Friday evenings.  
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Sunday School—9:45 A.M.  
Training Union—9 P.M.  
Worship Services—11 A.M., 7 P.M.  
Wednesday-Midweek Services, 8 A.M. & 8:45 P.M.  
Teachers 7 P.M.  
Prayer Service—7:45 P.M.  
Choir Rehearsal—8:30 P.M.  
Pastor—Daniel B. Weaver Jr.  
FR 7-6486—PR 1-2623  
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**CENTRAL CHURCH EVANGELICAL UNITED BRETHREN**  
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11:30—Morning Worship  
7:30—Evening Worship  
7:30—Evening Worship  
Midweek Worship Service 7:00 Wednesday Evening

**IMMANUEL LUTHERAN CHURCH (Missouri Synod)**  
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Sunday School . . . . . 9:45 A.M.  
Worship Service . . . . . 11:00 A.M.  
Pastor A. L. Schuets  
FR 7-9535 or 5-7535

**ST. CATHERINE LABOURE CHURCH**  
2848 Redondo Beach Blvd., Torrance  
Phone DA 5-8900  
Sunday Masses: 7, 8, 9, 10, 11, 12  
Sunday Masses: 8:30 A.M. and 10:30 A.M.  
Confessions: Saturday 4:00 to 5:30 P.M. to 9:00

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Sundays at 7:00 P.M.

**NARBONNE AVENUE SOUTHERN BAPTIST CHURCH**  
24780 Narbonne Ave., Lomita 4-7800  
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Sunday School . . . . . 9:45 A.M.  
Training Union . . . . . 7 P.M.  
Worship Service . . . . . 7 P.M.

**FIRST LUTHERAN CHURCH**  
1728 Flower Street  
Phone 238-4121  
Rev. F. J. Hubler, Pastor  
Phone FA 8-2243  
Phillip C. Hillier, Assoc. Pastor  
Phone 478-7710  
Worship Services  
8:00 A.M.—8:30 A.M.  
9:00 A.M.—9:15 A.M., 10:45 A.M.  
Nursery services from 9:15 A.M. and 10:45 A.M.  
Holy Communion—First Sunday  
Luther League—2nd and 4th Sundays.  
Christian Elementary School—Kindergarten through 8th Grade

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Canon and 88th Prado  
Phone FA 8-2343  
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Rev. Phone FA 8-4251  
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SUNDAYS: Two Worship Services  
9:30 and 11 A.M.  
Two Complete Church Schools  
9:30 and 11 A.M.  
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**FIRST BAPTIST CHURCH**  
at Carson & Manuel St.  
1423 Engracle, FA 8-2721  
Rev. Hugh E. Rector  
7:30 A.M. Holy Communion  
9:15 A.M. Family Worship Service  
Sundays followed by Church School and Coffee Hour.  
11:00 A.M. Morning Worship (Choir Rehearsal on 1st and 3rd Sundays).  
(Child care and Nursery provided at 9:15 and 11 A.M. services).  
Weekdays: Holy Communion at 11 A.M. Thursdays and 9:30 A.M. on All Saint's Days.

**ST. ANDREW'S EPISCOPAL CHURCH**  
1423 Engracle, FA 8-2721  
Rev. Hugh E. Rector  
7:30 A.M. Holy Communion  
9:15 A.M. Family Worship Service  
Sundays followed by Church School and Coffee Hour.  
11:00 A.M. Morning Worship (Choir Rehearsal on 1st and 3rd Sundays).  
(Child care and Nursery provided at 9:15 and 11 A.M. services).  
Weekdays: Holy Communion at 11 A.M. Thursdays and 9:30 A.M. on All Saint's Days.

**ST. LAWRENCE CATHOLIC CHURCH**  
1900 Prospect Ave., Redondo Beach.  
Monignor Daniel F. Collins  
Mass 7, 8, 9, 10, 11:15, 12:15  
FR 5-8097

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Rev. Robert Neil Jones  
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1:30 P.M.  
CHILD Youth Fellowship—7 P.M.

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FR, FA 8-4880  
9:45 Sunday School  
10:45 Morning Worship  
7:00 P.M. Evening Service